

HOMESTEAD PROTECTION / PROPERTY TAXES

Issue Statement: The large increase in values of Homestead Property appraisals and subsequent increases in property taxes is harming the integrity of our neighborhoods and our most vulnerable residents. To combat the negative effects of increased property taxes in long established but economically poor neighborhoods, the Organization of Central East Austin Neighborhoods (O.C.E.A.N) requests your unified cooperation and consideration of the following proposals.

Education and Tax Assistance

1. Establish a funded program that will inform property owners of their eligible exemptions and protest rights.
2. Have TCAD provide administrative hearings or negotiations by telephone for seniors and disabled property owners
3. Implement and fund a program that will provide assistance and tax rollbacks for elderly people who are eligible but have not filed for exemption

All taxing jurisdictions adopt fixed or percentage cap on homestead appraisals.

The City, County and AISD should work together to come up with local tax solutions. We are experiencing a significant increase in development and sales of upper income housing which also mean increased tax revenue. A 5% cap on Appraisals will provide some protection to older homesteads that are experiencing the negative side effects of growth through higher appraisals and taxes.

People 65 and over should get a higher exempt value on their homestead and significant homestead protection before any taxes are assessed

Poor Homeowners on fixed incomes; 65 and over; and the Disabled need property tax relief and significant homestead protection. Property taxes should not be the deciding factor for long time homesteaders on whether they stay in their communities or not. Homesteaders traditionally would like to leave their legacy, in the form of property, to their children and grandchildren. Significant homestead protection should assist this traditional method of sustaining the community. Increase the exemption percentage for seniors and persons with disabilities (at least those with low incomes) and allow family members who inherit a property to also inherit the capped assessed value.

Increase overall homestead exemption (City, County, and AISD)

The City of Austin needs a Homestead Exemption. The homestead exemption provided by AISD, the County and other taxing authorities have not kept pace with the huge increase in appraised values and increased taxes.

Do not privatize the tax collection system

Our tax collection system is one of the best in the State, if not the Nation. Privatization will do nothing to improve our current system. The negative effect of privatization will be increased fees on those who can least afford them; decreased flexibility in dealing with problematic cases; and decreased accountability from a contract vendor.

Provide Tax incentives for rental properties which provide affordable housing

Only 31% of Blacks and Hispanics own their homes. Most of them rent. One of the primary rental units is a small house owned by an individual private property owner. Private property owners should receive incentives or abatements for providing housing at affordable rates and even more incentives to maintain and upgrade their property. Most of these private property owners are forced to sell their property because the cost of paying taxes exceeds the benefits of rental income. Most of these property owners would rather keep their property as it is their primary retirement income and they understand they are helping their friend, families, and community by maintaining this property.

Provide Tax amnesty for poor home owners.

Poor homesteaders and rental property owners should be provided tax amnesty under certain conditions. Especially during times of hyper inflated appraisals. Delaying the collection of taxes until an elderly homesteader dies is insufficient. Heirs should be able to inherit their property and keep the tax amnesty unless the property is sold for profit.

Homes subject to tax foreclosures should not be sold or lists given to speculators to pressure homesteaders and property owners to sell. These homes and home owners should be:

- Targeted by the tax collector and assistance provided to allow the poor to keep their homes
- Refurbished by community CDC's; and non-profits such as Habitat for Humanity
- Resold to eligible low to median income residents in need of affordable housing
- Provide tax credits/incentives to homeowners who provide affordable rental housing
- Re-introduce the \$1.00 housing purchase program
- Sold or given to community CDC's; and non-profits at nominal prices.

PROPERTY TAX REFORM

For too long AISD, the County, the City and other local taxing authorities have relied primarily on Homestead Property Tax Appraisals and property taxes on rental homes as its primary funding mechanism. The large increase in values of Homestead Property Appraisals AND subsequent increases in Homestead Property taxes (especially East Austin) is causing unnecessary harm to the integrity of our neighborhoods, our most vulnerable residents, and our schools. As the burden of Property Taxes increases on our communities, families are forced to move out of the Central City thereby undermining our local schools.

It has been researched and verified that businesses and large tracts of investment property has not been properly assessed by Appraisal Districts including Travis County Appraisal District (TCAD) and that these properties is not paying their fair share of property taxes.

<http://costofgrowth.com/Cases/Tax-Inequity-Texas.html>;

<http://www.statesman.com/news/local/downtown-austin-properties-undervalued-appraiser-says-1153154.html?printArticle=y>

We believe that if properly assessed by TCAD, business property taxes would go a long way towards properly funding our local taxing authorities especially AISD. It is the responsibility of AISD Trustees the County, the City and other local taxing authorities to demand that TCAD provide an accurate assessment of Business and Investment Property and ensure that they are paying their fair share.